

OPENING STATEMENT BY SENATOR OLYMPIA J. SNOWE
CHAIR, SUBCOMMITTEE ON OCEANS AND FISHERIES

HEARING ON COAST GUARD BUDGET AND AUTHORIZATION
FOR FISCAL YEAR 2000

FEBRUARY 24, 1999

The hearing will come to order.

The primary purpose of today's hearing is to review the Fiscal Year 2000 budget request of the United States Coast Guard.

Before we begin, I would like to welcome our witness at today's hearing, Admiral James M. Loy, the Commandant of the Coast Guard. We are very pleased that you could attend our hearing today, Admiral Loy.

The Coast Guard is one of the most important agencies of the federal government. Through its Search and Rescue activities, the Coast Guard responds every day to people in distress and prevents injuries and loss of life on our marine waters.

It enforces all federal laws and treaties related to the high seas and U.S. waters, including anti-drug and fisheries law. The Coast Guard plays the lead role among federal agencies in preventing and responding to major pollution incidents in the coastal zone. It makes our ports and shipping lanes safe for maritime transportation and commerce. And, as one of the 5 armed forces, it provides an essential element of the nation's defense strategy.

The Coast Guard's value to the nation cannot be denied. In an average year, the Coast Guard provides emergency assistance to 100,000 mariners, saves the lives of approximately 5000 people, and saves over \$2.5 billion in property.

In each year, the Coast Guard will respond to thousands of marine pollution incidents along our coasts.

As part of its law enforcement mission, the Coast Guard interdicts hundreds of thousands of pounds of illegal drugs headed to our communities.

And the Coast Guard's maritime safety mission is critical as well. More than 95% of the United States' imports and exports are transported via ship through our ports and waterways. The maritime cargo activities that the Coast Guard monitors and protects are estimated to contribute at least \$74 billion annually to our GDP.

The importance of the Coast Guard becomes very clear when you represent a State like mine, with a 3500 mile coastline, thousands of commercial fishermen and merchant mariners, and even more recreational boaters and tourists using coastal waters.

The President has requested approximately \$4.26 billion in total budget authority for the Coast Guard in Fiscal Year 2000. This represents a 3.7% decrease from the FY 99 appropriated level. The decrease results primarily from a reduction in the large amount of funding that the Coast Guard received last year for drug interdiction equipment acquisition in the supplemental appropriations bill. The members of the Subcommittee will be very interested in hearing how this budget will affect drug interdiction in Fiscal Year 2000.

I was very pleased to see that the Administration is requesting a 4.4% pay raise for both military and civilian personnel in the Coast Guard, as well as an increase in force size. This Subcommittee recognizes the current pressures on the Coast Guard's personnel and the readiness problems that result from them, and we are fully committed to addressing these concerns. In fact, I am an original cosponsor of a bill on the Senate floor today, S.4, that would provide a 4.8% pay raise for personnel in all of the armed forces, including the Coast Guard. We hope to send this bill to the President as quickly as possible.

One item in the budget that I was extremely unhappy to see was a request for yet another new navigational assistance user fee. I have a serious problem with this proposed user fee on policy grounds. It would not only raise the cost of maritime transportation in the United States, but the inclusion of revenues from this fee in the budget could lead to a shortfall in Coast Guard funding if the fee is not approved.

What is really troublesome, however, is that the Clinton Administration included this proposal in its budget after Congress passed legislation four months ago to prohibit the planning or implementation of new user fees like this one. The proposal ignores a law that the President signed months ago, and snubs the clear will of the Congress on this issue.

Finally, let me point out that although we passed a Coast Guard Authorization Act last year, the authorization in that law extends only through the end of this fiscal year. Therefore, the Committee intends to introduce and mark-up a new Coast Guard Authorization bill as soon as possible after this hearing. I understand that OMB has not yet approved an Administration authorization proposal, but you should feel free to comment on it to the extent you consider appropriate.

Admiral Loy, there are a number of pertinent issues within the scope of today's hearing, and we look forward to hearing your testimony on the Coast Guard's plans for meeting its challenging missions in Fiscal Year 2000.